

September 13, 2006

Mr. James J. Sheppard
President and Chief Executive Officer
STP Nuclear Operating Company
South Texas Project Electric
Generating Station
P. O. Box 289
Wadsworth, TX 77483

SUBJECT: SOUTH TEXAS PROJECT, UNITS 1 AND 2 - RE: WITHDRAWAL OF
REQUEST FOR AMENDMENTS (TAC NOS. MC7490 AND MC7491)

Dear Mr. Sheppard:

By letter dated July 4, 2005, STP Nuclear Operating Company, the licensee for South Texas Project (STP), Units 1 and 2, requested amendments to Facility Operating Licenses NPF-76 and NPF-80, respectively. The proposed changes were to modify the facility technical specifications (TSs) to extend allowed outage time (AOT) on a permanent basis for TS 3.7.4, "Essential Cooling Water System," and associated TS for those systems that are supported by Essential Cooling Water (ECW), from 7 days to 14 days.

After careful review of the licensee's request, the U.S. Nuclear Regulatory Commission (NRC) staff concluded that the request cannot be approved as currently written. In a telephone conversation on August 30, 2006, between Messrs. Scott Head and James Morris of your staff and the NRC staff, the NRC staff explained to your staff the reasons for our conclusion.

The NRC staff noted that STP is a pilot plant for Risk Management Technical Specifications (RMTS) Initiative 4b. That initiative, if approved, will allow the licensee to adjust the AOTs for equipment based on specific configuration risk at the time of need. Therefore, the licensee will be able to extend the AOT for the ECW system beyond 7 days if the configuration risk is within acceptable limits. Based on the NRC staff's explanation, it was agreed that the July 4, 2005, application is no longer needed by the licensee because the RMTS Initiative 4b will essentially overtake the July 4, 2005, application. The NRC staff also explained that, although the request cannot be approved on a permanent basis as proposed, its use on a one-time basis is not precluded in the future, if a need arises.

J. Sheppard

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Unless you notify the NRC that this information is incorrect by September 21, 2006, we will consider the July 4, 2005, application to be withdrawn. At that time, we will file a Notice of Withdrawal of Application for Amendments to Facility Operating Licenses NPF-76 and NPF-80 with the Office of the Federal Register for publication, and close the task action commitment (TAC) for your July 4, 2005, application.

Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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Sincerely,

/RA/

Mohan C. Thadani, Senior Project Manager
Plant Licensing Branch IV
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket Nos. 50-498 and 50-499

cc: See next page

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South Texas Project, Units 1 & 2

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